

The minutes set forth are an unofficial copy of this month's board meeting minutes. For an official (signed) copy please contact the Authority.

IOWA FINANCE AUTHORITY BOARD MEETING MINUTES

**Grand Harbor Resort Hotel
Dubuque
June 2, 2004**

BOARD MEMBERS PRESENT

Kay Anderson, Vice Chair
Virginia Bordwell
Carmela Brown

Roger Caudron
Douglas Walter
Dick Wright

STAFF MEMBERS PRESENT

Michael Tramontina, Executive Director
Laura Abbott, Asset Management Manager
(via telephone)
Jennifer Amodeo, Secretary
Lori Beary, Community Development Finance
Officer (via telephone)
Roger Brown, Director of HUD Programs,
Section 8 Contract Administration
(via telephone)
Mickey Carlson, Single Family Program
Manager (via telephone)
Donna Davis, Deputy Director, Director of
Housing Programs (via telephone)
Mark Fairley, Financial Officer
Monica Fischer, Public Information Officer
Alyson Fleming, Administrative Assistant
(via telephone)
Judith Hartman, Single Family Marketing
Specialist

Tim Jansen, Accountant
Bret Mills, Chief Financial Officer
Tim Morlan, Underwriter (via telephone)
Sharon Murphy, Housing Specialist HAF/HIRE
Julie Noland, Director of Administrative Services
Lloyd Ogle, Director of Policy and Governmental
Affairs
Carla Pope, Service Enriched Housing Director
(via telephone)
Karen Rasmussen, Single Family Secretary
Tracy Scebold, Housing Allocation Manager
(via telephone)
Lyle Schwery, Homeless Programs Coordinator
(via telephone)
James Smith, General Counsel (via telephone)
Tim Waddell, Tax Credit Manager
Nancy Wallis, Administrative Assistant
Vicky Winter, Legal Secretary (via telephone)

OTHERS PRESENT

Greg Becker – Farmer's Four County Co-op
Luke Botica – Ethanol IDEA
Mike Carver
David Claypool – Dorsey & Whitney Law
Firm (via telephone)
Jim Conlin – Conlin Properties
Larry Cox – Ethanol IDEA
Melody Cox – Ethanol IDEA
James Daily – Mayor, Belle Plaine

Marvin DeRycke – Belle Plaine City Council
Joni DeVries – Wells Fargo Bank Iowa, NA
Tom Goric- Dubuque Bank and Trust
David Grossklaus – Dorsey & Whitney Law Firm
(via telephone)
Todd Hennings – Farmer's Four County Co-op
Dale Johnson – Farmer's Four County Co-op
Representative Pam Jochum – Iowa House of
Representatives

Renie Neuberger – Iowa Equity Fund
Dan Nicholson – Dubuque City Council, Mayor
Pro Tem
Joe O’Hern – Fannie Mae Iowa Partnership
Office

Fred Otto – Securities and Exchange
Commission (SEC)
Ken Peterson – Ethanol IDEA
Bruce Ray – Department of Housing and

Urban Development (HUD)
Kristin Saddoris – Conlin Properties
Tim Shanahan – Human Services Planning
Alliance (HSPA)
Art Wallis
Rose Wazny – Iowa Department of Economic
Development (IDED)
Hank Wehrman – Belle Plain Economic
Development

CALL TO ORDER

Vice Chair Anderson called to order the June 2, 2004 of the Iowa Finance Authority (IFA) Board of Directors at 9:40 a.m. Roll call was taken and a quorum was established with the following members present: Anderson, Bordwell, Brown, Caudron, Walter and Wright.

Chair Lintz was initially unable to participate until the phone connection was established and roll call was again taken at 9:50 a.m.

REVIEW AND APPROVAL OF MINUTES

May 5, 2004

Vice Chair Anderson introduced the minutes of the May 5, 2004 meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved the minutes of the May 5, 2004 Board of Directors meeting.

MANAGEMENT REPORT

Summary & Overview

Mr. Michael Tramontina thanked everyone present for attending and expressed a special welcome to the Mayor Pro Tem of Dubuque, Dan Nicholson, and Representative Pam Jochum. He said the tour the previous evening of Authority projects in the area was well received. Mr. Tramontina commended the city of Dubuque for the priority placed on historic preservation projects.

Administrative Services Report

Ms. Julie Noland referred to the handout included in the Board materials.

LEGAL / REGULATORY

Pending Litigation

Mr. James Smith reported the plaintiff has amended the original petition to include a stay for certain projects.

Mr. Tramontina stated the projects not affected by the stay request are those in the set-asides, other than the East Village project, which is still part of the stay request. He said the set-asides include historic preservation, assisted living, and service enriched housing.

Mr. Caudron apologized to the audience for the technical difficulties and poor sound quality.

FINANCE AND ACCOUNTING

Finance Update

Mr. Bret Mills stated on an unadjusted basis, the General Fund has a year-to-date (YTD) net income of \$462,890.

Capital Adequacy Study

Mr. Mills reported discussions pertaining to funding the General Fund and Housing Assistance extended into May later than originally planned. He said Mr. Hans' completion of the Capital Adequacy Report has been delayed, however, the report will be finalized prior to the Authority's presentation to Standard & Poors.

Mr. Mills referred to tab 1 in the Blue Book and the reference to the Issuer Credit Rating. He briefly reported on the information requested by Ms. Karen Flores of S & P.

Resolution Authorizing Single Family Bonds, 2004 Series C and D

Mr. Mills introduced the resolution authorizing Single Family Bonds, 2004 Series C and D. He stated two series of Bonds will be issued in an amount not to exceed \$60 million with \$45 million the expected issue amount. Mr. Mills said a portion of the bonds in the amount of \$15 million will be tax-exempt variable or auction rate bonds.

Mr. Caudron inquired as to the amount of bond cap remaining.

Ms. Beary stated the amount of bond cap remaining after this bond issue will be approximately \$73 million.

MOTION: Mr. Caudron made a motion to approve the resolution authorizing Single Family Bonds, 2004 Series C and D in an amount not to exceed \$60 million. On a second by Mr. Wright, the Board unanimously approved the resolution.

Approval of Financial Statements

MOTION: Chair Lintz made a motion to approve the financial statements as presented. On a second by Ms. Brown, the Board unanimously approved the financial statements.

FY 05 General Fund Budget

Mr. Mills referred to the blue books provided in the Board materials. He summarized the changes made from previous years.

A general discussion followed regarding the general fund budget including a proposed threshold for budget amendments that may be presented to the Board.

MOTION: Mr. Wright made a motion to approve the FY 2005 General Fund Budget. On a second by Ms. Bordwell, the Board unanimously approved the FY 2005 General Fund Budget.

Title Guaranty Budget

Mr. Ogle introduced the Title Guaranty Budget and referred to the information included in the Board materials.

MOTION: Mr. Caudron made a motion to approve the Fiscal Year 2005 Budget for the Title Guaranty Division. On a second by Mr. Walter, the Board unanimously approved the Fiscal Year 2005 Title Guaranty Budget.

COMMUNITY / ECONOMIC DEVELOPMENT /STATE REVOLVING FUND (SRF) PROGRAM

Economic Development Loan Program

Public Hearing:

Vice Chair Anderson opened the public hearing at 10:16 a.m. regarding the issuance of an amount not to exceed \$200,000,000 in Iowa Finance Authority Taxable Revenue Bonds for ethanol IDEA Belle Plaine, LLC.

Mr. Tramontina said the Authority had received no written comments regarding the project.

Mr. Tramontina stated Authority staff has requested additional information before proceeding with the authorizing resolution; however, the public hearing would be held in the interest of progress.

Mr. Larry Cox, project sponsor, spoke to the Board regarding the project and emphasized the state is in no manner obligated to the project. He said there are project obligations to be met with a June 16, 2004 deadline.

Mr. Caudron inquired if Mr. Cox would understand the delay in approval of the authorizing resolution until staff concerns had been addressed.

Mr. Cox stated there is urgency in continuing with the project timeline as any delays would delay the construction of the project.

Vice Chair Anderson closed the public hearing at 10:25 a.m.

State Revolving Fund Update

Ms. Beary referred to the handout included in the Board materials.

Mr. Caudron inquired as to the next step of action.

Ms. Beary stated approval is required by Mr. Jeff Vonk, Director of the Department of Natural Resources (DNR).

Mr. Tramontina stated the responsibilities would be divided along the lines of permitting and financing. He said permitting responsibilities would be handled by DNR and the financing responsibilities would be done by the Authority.

Vice Chair Anderson recessed the meeting at 10:45 a.m. and reconvened the meeting at 10:54 am.

HOUSING PROGRAMS

Homeownership Programs

Single Family Status, Delinquency and Activity Reports

Ms. Donna Davis referred to the monthly activities report and charts included in the Board materials.

Low Income Housing Tax Credit

Ms. Davis reported the QAP Advisory Group met May 14, 2004 to begin the process of developing the 2005 QAP. She said the 2005 QAP draft will be sent to the Board for the July meeting for approval.

OTHER HOUSING PROGRAMS

Multifamily Lending Activity

Ms. Davis referred to the written summary included in the Board materials.

SECTION 8 CONTRACT ADMINISTRATION

Ms. Davis referred to the written summary included in the Board materials.

HOWPA (HUD Grant called Housing Opportunities for Persons with HIV/Aids)

Ms. Davis referred to the written summary included in the Board materials.

RESOLUTIONS

Resolution for Waiting List Allocations

Ms. Davis introduced the Resolution for Waiting List Allocations. She said a resolution was adopted by the Board on April 2, 2004 which placed several projects on the waiting list. Ms. Davis stated there are now sufficient unallocated and returned tax credits to fund the projects in the amounts set forth in Exhibit A of the resolution.

Mr. Caudron inquired as to the increase of \$126,000 and whether there are any unallocated credits above that amount.

Mr. Tim Waddell replied there is an unallocated amount of \$17,000 remaining.

MOTION: Ms. Bordwell made a motion to approve the resolution for waiting list allocations in the amounts set forth in Exhibit A of the resolution. On a second by Mr. Caudron, the Board unanimously approved the resolution for waiting list allocations.

Resolution on John Lewis Coffee Shop

Ms. Davis introduced the resolution on the John Lewis Coffee Shop. She said on August 7, 2002 the Authority committed to purchase up to twenty percent (20%) participation in a loan, in an amount not to exceed \$1,000,000, on a subordinate basis, to allow John Lewis Coffee Shop, Inc. ("John Lewis") to provide dollar-for-dollar matching funds for money saved by low-income individuals pursuant to an Individual Development Account program. Ms. Davis stated the anticipated structure for this program has not been completed and the Authority does not anticipate that it will be completed in the near future. She said the Authority would like the commitment withdrawn so the funds may be used for another purpose.

Mr. Wright inquired if John Lewis Coffee Shop was aware of the intended action by the Authority to withdraw the funds committed for this purpose

Mr. Tramontina stated the John Lewis Coffee Shop is fully aware of the Authority's intention. He said originally this was an arbitrage investment and it was necessary for the various markets long and short term interest rates to have enough spread to enable an investor to make any profit. Mr. Tramontina said, as the spread has never materialized, it is unlikely the market now would ever reach that situation. He stated that since the resolution was originally authorized, the Authority has directly granted funds to Individual Development Accounts (IDAs).

MOTION: Mr. Wright made a motion to approve the resolution to withdraw the commitment made to John Lewis Coffee Shop in order for the committed funds to be used for another purpose. On a second by Mr. Walter, the Board unanimously approved the resolution on John Lewis Coffee Shop.

Resolution on Proposed Funding for Housing Assistance for Fiscal Year 2005

Ms. Davis introduced the resolution on proposed funding for housing assistance for Fiscal Year 2005. She said under these programs the Authority will advance funds as loans, grants and investments for the various eligible uses under the programs.

MOTION: Ms. Brown made a motion to approve the resolution on proposed funding for housing assistance for Fiscal Year 2005 in the manner and amounts described in Exhibit A of the resolution and withdrawing the authorized funding levels set for prior years, provided that commitments made and funds for which applications have been received will not be withdrawn. On a second by Mr. Wright, the Board unanimously approved the resolution on proposed funding for housing assistance for fiscal year 2005.

A general discussion followed regarding the funding and goals of the Authority in the categories of home ownership, creation of affordable rental housing, technical assistance and capacity building, and homeless and transitional housing.

Resolution Regarding New Directions Shelter

Ms. Davis introduced the Resolution Regarding New Directions Shelter. She said this is an eight unit property that provides temporary emergency shelter care, including meals, for homeless women with children. Ms. Davis referred to the documents included in the Board materials.

Mr. Wright inquired as to how the shelter may have known an application could be made to the Authority for funds.

Ms. Davis stated several staff members, including Mr. Lyle Schwery, Ms. Laura Abbott, and Mr. Loyd Ogle were aware of the situation at the shelter.

Mr. Wright inquired as to how shelters across the state would know that the Authority might have funds that could be applied for.

Mr. Tramontina stated that more marketing could be done and this project is considered historic preservation. He said this is the first project under the program that is a homeless shelter.

Ms. Davis stated the Authority has worked with many non-profit organizations in recent years. She emphasized the Authority always attempts to work with any organization that contacts the Authority and if the Authority is unable to assist the organization a referral is made to another organization that is able to assist the applicant or group seeking assistance.

A general discussion followed regarding the financing of the project.

Mr. Tim Shanahan of the Human Services Planning Alliance spoke to the Board on the finances of the shelter.

MOTION: Mr. Walter made a motion to approve the resolution regarding New Directions Shelter to fund a first mortgage in an amount not to exceed \$215,000, with the maturity not exceeding twenty years and the

loan to be secured by a first mortgage. On a second by Mr. Wright, the Board unanimously approved the resolution regarding New Directions Shelter.

Appointment of Members to the State Housing Trust Fund Advisory Board

Ms. Davis introduced the sample motion provided in the Board materials for the appointment of members to the State Housing Trust Fund Advisory Board.

Mr. Tramontina referred the Board to the list of proposed appointees.

Mr. Caudron inquired if the proposed appointees were aware of their nomination.

Mr. Tramontina stated the proposed nominees are aware they have been selected for nomination.

MOTION: Chair Lintz made a motion to approve the appointment of the following members to the State Housing Trust Fund Advisory Board in accordance with Section 1.4 of the 2004 Allocation Plan (the plan).

Lori Handlos, Midwest Homes, Inc.
Tracey Achenbach, Homeward, Inc.
Laurie Gilbert, Council of Governments Housing, Inc.
Randy Irwin, City of Oskaloosa Housing Trust Fund
Pam Carmichael, HOME, Inc.
Vanessa Baker-Latimer, City of Ames
Jim Cain, Iowa Coalition for Housing and the Homeless
Joleen Patterson, NAHRO
Mary Burton, Mayor of Polk City and president of the Iowa League of Cities

On a second by Mr. Caudron, the Board unanimously approved the appointment of the proposed appointees to the State Housing Trust Fund Advisory Board.

Resolution on Habitat for Humanity of Iowa and Internship Program Grant

Ms. Davis introduced the resolution on Habitat for Humanity of Iowa and Internship Program grant. She said two interns will work with Sarabeth Anderson, CEO of Habitat for Humanity of Iowa in the Ankeny office. Ms. Davis explained Habitat for Humanity will match the \$2,000 per intern grant funds with an additional \$1,250 per intern. She said each intern will receive \$6.50 per hour for 500 hours of work. Ms. Davis stated each intern will conduct research on several new event-related fundraising ideas.

MOTION: Ms. Bordwell made a motion to approve the resolution on Habitat for Humanity of Iowa Internship Program grant in the amount of \$4,000. On a second by Ms. Caudron, the Board unanimously approved the resolution on Habitat for Humanity of Iowa and Internship Program grant.

TITLE GUARANTY DIVISION (TGD)

Mr. Loyd Ogle announced the Title Guaranty Board of Directors approved a transfer of \$1,500,000 to the Authority's housing programs.

MOTION: On a motion by Mr. Caudron and a second by Chair Lintz, the Board unanimously accepted the transfer of \$1,500,000 from the Title Guaranty Division to the Authority's housing programs.

POLICY / LEGISLATION

Mr. Ogle reported Representative Latham has signed on as co-sponsor of the Bond Credit Modernization bill.

Mr. Ogle referred to the documents distributed in the Board materials.

COMMUNICATIONS

Ms. Monica Fischer referred to the handouts included in the Board materials.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Vice Chair Anderson opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no one in the audience wishing to address the Board, Vice Chair Anderson closed the public comment period.

Next Month

The next regular meeting will be held at 10:45 a.m. on July 7, 2004 at the Hotel Fort Des Moines.

Mr. Tramontina thanked the City of Dubuque, Dubuque Bank and Trust, and several Authority staff for their work in coordinating the tour and meeting: Ms. Monica Fischer, Ms. Jennifer Amodeo, Ms. Vicky Winter, and Ms. Nancy Wallis.

Ms. Anderson shared pictures with the Board of a tax credit project currently under construction in LeMars.

Mr. Caudron expressed his appreciation for the opportunity to visit the city of Dubuque and participate in the tour of local projects.

Ms. Anderson stated she echoed Mr. Caudron's sentiments and appreciated the opportunity to visit another community and see the projects in that area.

ADJOURNMENT

There being no further business, on a motion by Mr. Wright and a second by Mr. Caudron, the June meeting of the Iowa Finance Authority Board of Directors adjourned at 11:55 a.m.

Dated this 7th day of July, 2004.

Respectfully submitted:

Approved as to form:

Michael L. Tramontina
Executive Director
Iowa Finance Authority

Vincent C. Lintz, Chair
Iowa Finance Authority

